

HB 1859 -- Conduit Bond Offerings by Political Subdivisions

Sponsor: Barnes

This bill specifies that a political subdivision cannot incur any indebtedness through the issuance of a conduit bond for the benefit of a for-profit entity for non-traditional governmental purposes except under the following conditions:

- (1) The conduit bond has been approved by the voters of the political subdivision;
- (2) The for-profit entity provides the political subdivision proof of a bona fide offer of capital from a non-governmental source that is equal to or greater than the capital offered through the conduit bond;
- (3) The total indebtedness to be incurred by the political subdivision is equal to or less than 30% of the political subdivision's annual budget; or
- (4) A majority of the offering will be made to sophisticated investors in minimum blocks of \$100,000 and at least 5% will be made to retail investors residing within 20 miles of the political subdivision in minimum blocks of less than \$10,000.